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NO. CC-OS-03170-A

L.S. Unico, Inc. and Leonard Sadjadi, Individually, Plaintiffs	8 8	IN THE COUNTY COURT AT LAW
VS. Micrin Technologies Corporation, Defendant	19 19 19 19 19 19 19 19 19 19 19 19 19 1	OF DALLAS COUNTY, TEXAS
	§ §	NUMBER 1

PLAINTIFFS' ORIGINAL PETITION

TO THE HONORABLE JUDGE OF THIS COURT:

Now come L.S. Unico, Inc., and Leonard Sadjadi, Individually, hereinafter referred to as the "Plaintiffs", and for cause of action state as follows:

I. DISCOVERY CONTROL PLAN

1.01 The Plaintiffs, under Rules 190.1 and 190.4 of the Texas Rules of Civil Procedure, allege that they intend to conduct discovery under Level 3 of such Rule.

II. PARTIES

2.01 Plaintiffs. The Plaintiff, L.S. Unico, Inc., is a Texas corporation incorporated and doing business under the laws of the State of Texas with its principal offices and operations

located in Dallas County, Texas. The Plaintiff, Leonard Sadjadi, is an individual residing in Dallas, Dallas County, Texas.

- 2.02 <u>Defendant</u>. The Defendant, Micrin Technologies Corporation, is a Texas corporation incorporated and doing business under the laws of the State of Texas with its principal offices and operations located at 1479 Prudential Drive, Dallas, Dallas County, Texas 75235.
- 2.03 The named Plaintiffs and Defendant, as set forth above, are the parties who have an interest in the matter made the subject of this action.
- 2.04 Service of Process. The registered agent and registered agent address of the Defendant to whom citation should be served is Mark Henderson, 1479 Prudential Drive, Dallas, Texas 75235.
- 2.05 <u>Venue</u>. The agreements, contracts and acts that form the basis of this suit arose in Dallas County. Texas, and the relief and damages requested by the Plaintiffs are within the jurisdictional limits of this Court.

III. FACTS

3.01 On or about August 25, 1998, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created and provided to the Defendant electrical/electronic designs and engineering expertise and/or designs with the Defendant as the manufacturer and marketer in return for either

royalties from the sales of products eventually manufactured and sold by the Defendant or participation in rights from a patent, future benefits and contracts.

3.02 On or about April 30, 2001, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created and provided to the Defendant electrical/electronic designs and engineering expertise, with the Defendant as the manufacturer and marketer, in support of an Advanced Low Noise Amplifier (LNA) Panel, in return for either royalties from the sales of products eventually manufactured and sold by the Defendant or participation in rights from a patent, future benefits and contracts.

On or about April 30, 2001, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created, designed and provided to the Defendant electrical/electronic designs and engineering expertise, with the Defendant as the manufacturer and marketer, in support of a Com-Net 2U PDU product, in return for either royalties from the sales of products eventually manufactured and sold by the Defendant or participation in rights from a patent, future benefits and contracts.

On or about April 30, 2001, the Plaintiffs entered into certain contracts or business agreements and relationships with the Defendant whereby the Plaintiffs, either jointly or independently, created, designed and provided electrical/electronics expertise and support for a L-

Module/AS-Module Product to be manufactured and marketed by the Defendant. In addition the Defendant, having already begun a patent application process related to this technology, also known as a Lighted Status Indicator Corresponding to the Positions of a Circuit Breaker or Switch, which was invented by the Plaintiff, Leonard Sadjadi, obtained from the Plaintiffs an assignment of one-half of the rights to the technology related to the patent application process based on the promise that it would undertake, pay for and complete the patent application process. The Defendant abandoned the patent application process on or about September 22, 2003, at which time it proposed to the Plaintiffs that it would execute a contract that assigned all of the Defendant's rights to the patent application to L.S. Unico, Inc., conditioned on the Plaintiffs agreeing to those conditions. The Defendant subsequently refused to execute such a contract without the proposed conditions, despite a request to do so by the Plaintiffs.

- 3.03 Based on one or more of the above agreements the Defendant paid to the Plaintiff, L.S. Unico, Inc., royalties based on the sales of manufactured designs of the Plaintiffs through the latter part of 2004. Beginning in July, 2004, the Plaintiffs began to request from the Defendant not only certain royalties that were believed to be due but also an accounting and verification that any royalties due or any royalties claimed by the Defendant not to be due were in fact accurate and complete.
- 3.04 From June, 2004, through February, 2005, various correspondence occurred between the legal counsel of all parties. In February, 2005, the Defendant through its counsel

notified the Plaintiffs that no further royalties were due to the Plaintiffs, that the Defendant owned all electrical/electronic designs, electrical/electronic design documentation, electrical/electronic schematics, and electrical/electronic module design specifications developed by the Plaintiffs that had been incorporated into or were related to products manufactured by the Defendant, and that no further accounting or verification of royalties or sales related to the parties would be provided by the Defendant.

3.05 One or both of the Plaintiffs (a) provided testing and troubleshooting for LNA units shipped by Micrin prior to September 22, 2003. (b) designed, made and tested the prototype of the monitoring circuit for a power supply for the Defendant's MTC 2911 B/C Main power PDU Alarm Circuit during certain periods of time following April 1, 2001, and (c) expended engineering time, designed, made, and tested the prototype of a DC/DC converter to be used with a LNA panel manufactured by the Defendant module during certain periods of time following April 1, 2001. The Defendant benefitted from these contributions by the Plaintiffs, but refuses and continues to refuse to compensate the Plaintiffs for such contributions despite requests by the Plaintiffs that the Defendant do so.

3.06 The Defendant has failed to cure its failure to account for and to verify royalties and certain other compensation due to the Plaintiffs, and, based on information and belief, may have failed to pay royalties and certain other compensation due to the Plaintiffs, under its agreements and contracts with the Plaintiffs

3.07 On or about January 16, 2005, the Plaintiffs notified the Defendant that all contracts between the Plaintiffs and the Defendant were canceled. The Defendant notified the Plaintiffs on February 9, 2005, that it considered any agreements between the parties to remain in effect.

IV. PERFORMANCE

4.01 The Plaintiffs would show the Court that they have performed their obligations owed to the Defendant and that all conditions precedent have been complied with by the Plaintiffs.

V. DECLARATORY JUDGMENT

- 5.01 The Plaintiff's petition the Court pursuant to the Declaratory Judgments Act,
 Chapter 37 of the Civil Practice and Remedies Code of Texas, for the construction of the written
 royalty agreements, design agreements, patent agreement, assignments, and/or other written
 agreements or contracts relating to the design by any Plaintiff of any technology, design or
 product related to the Defendant, particularly as such relate to royalties or other monies due and
 the ownership of the design, design rights, royalty rights, patent rights, and intellectual property
 related thereto.
- 5.02 The Plaintiffs request the Court to construe the royalty and design agreements, assignment and contracts between the parties to determine who owns the designs developed by any Plaintiff or the Plaintiffs and to determine the rights, liabilities, duties, responsibilities, and legal relations of the Plaintiffs and the Defendant under such agreements, assignment and/or

contracts.

5.03 The Plaintiffs have retained Gary P. Patton to represent them in this action and have agreed to pay him reasonable and necessary attorney's fees. An award of reasonable and necessary attorney's fees to the Plaintiffs would be equitable and just and therefore authorized by Section 37.009 of the Civil Practice and Remedies Code.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- A declaration that one or both Plaintiffs own all electrical and electronic designs developed by one or both Plaintiffs, whether original or modified;
- A declaration that all electrical and electronic design documentation related to all designs developed by one or both Plaintiffs are owned by the Plaintiffs;
- 3. A declaration that all royalties previously due to L.S. Unico, Inc. for electrical and electronic designs developed by one or both Plaintiffs are due and payable on the sales of all products sold by the Defendant that incorporate such electrical or electronic designs and any modification of such designs;
- 4. A declaration that L.S. Unico, Inc. has the right to cancel any royalty agreement it has with the Defendant;
- A declaration that all royalty agreements and contracts between the Plaintiffs and the Defendant were canceled as of January 26, 2005;

- 6. A declaration that the patent assignment between L. S. Unico, Inc. and the Defendant is void;
- 7.—A declaration that the Defendant is not allowed to manufacture or market any product or technology containing any design or any modification of any design of any Plaintiff without the written permission of the Plaintiffs;
- 8. A declaration that the written agreements between any Plaintiff and the Defendant did not include compensation to the Plaintiffs for time and expertise (a) for testing and troubleshooting all LNA units shipped by the Defendant prior to September 23, 2003; (b) for designing and testing the prototype of the monitoring circuit for a power supply for the Defendant's MTC 2911 B/C Main Power PDU Alarm Circuit; and (c) for designing and testing the prototype of a DC/DC converter module to be used with a LNA panel.
 - Reasonable and necessary attorney's fees;
 - 10. Costs of suit; and
 - 11. Such other and further relief to which the Plaintiff's may be justly entitled.

VI. ACCOUNTING

6.01 Pursuant to certain agreements between the Defendant and one or both Plaintiffs, the Defendant was obligated or may be obligated to pay to L.S. Unico, Inc. certain sums of money, including but not limited to royalties.

- 6.02 The Defendant has refused to account for royalties and certain other compensation either paid or, based on information and belief, believed to be due, to one or both Plaintiffs, although requested to do so by the Plaintiffs on numerous occasions prior to the initiation of this suit.
- 6.03 The Defendant has failed to provide a verification and a just accounting of royalties paid to the Plaintiffs for periods through October 15, 2004, and has failed to provide verification and a just accounting related to its claim that no royalties are due to the Plaintiffs since October 15, 2004, despite numerous requests by the Plaintiffs for such verification and just accounting.

The Defendant has refused to allow the Plaintiffs to have access to or to review documents in its possession and electronic files in its possession containing entries and information related to the sales of products incorporating designs developed by one or more Plaintiffs or related to the royalty agreements executed by the Defendant, despite numerous requests by the Plaintiffs for such access and review.

- 6.04 The Defendant has in its possession sales records, product information, design information and customer information that would indicate the validity or lack thereof of the monies paid to the Plaintiffs and the claims of the Defendant of either no sales or sales of only products that do not incorporate designs developed by one or both Plaintiffs.
 - 6.05 The Plaintiffs cannot determine whether the Defendant has paid the proper

EXIIIBIT F

royalties due without an accounting. The nature of the transactions involved is such that by reason of their complexity and the Defendant's exclusive possession of the records necessary to determine the amounts, if any, due, any amount due cannot be determined without an accounting.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- An accounting between the Defendant and the Plaintiffs;
- 2. A judgment on behalf of the Plaintiffs and against the Defendant for the amount found to be due from the Defendant under the accounting;
 - 3. Costs of suit; and
 - Such other and further relief to which the Plaintiffs may be justly entitled.

VIL UNJUST ENRICHMENT

7.01 One or both Plaintiffs provided to the Defendant time and expertise for testing and troubleshooting all LNA units shipped by the Defendant prior to September 23, 2003, which was not included in the responsibilities of the Plaintiffs under any of the written agreements between L.S. Unico, Inc. and the Defendant

The Defendant benefitted economically from the rendered services and labor performed by the Plaintiffs on behalf of and at the request of the Defendant.

The Plaintiffs requested that the Defendant compensate them at the reduced engineering rate of \$25.00 per unit, such amount being reasonable and customary in the particular industry

and business in which the Defendant was at the time and is currently engaged. The Defendant has refused the Plaintiffs' requests for compensation as set forth above.

7.02 One or both Plaintiffs provided to the Defendant at least thirty (30) hours of engineering time and expertise for designing, making and testing the prototype of the monitoring circuit for a power supply for the Defendant's MTC 2911 B/C Main Power PDU Alarm Circuit, which was not included in the responsibilities of the Plaintiffs under any of the written agreements between L.S. Unico, Inc. and the Defendant.

The Defendant benefitted economically from the rendered services and labor performed by the Plaintiffs on behalf of and at the request of the Defendant.

The Plaintiffs requested that the Defendant compensate them at the rate of \$150.00 per hour, such amount being reasonable and customary in the particular industry and business in which the Defendant was at the time and is currently engaged. The Defendant has refused the Plaintiffs' requests for compensation as set forth above.

7.03 One or both Plaintiffs provided to the Defendant at least twenty (20) hours of engineering time and expertise for designing and texting the prototype of a DC/DC converter module to be used with a LNA panel, which was not included in the responsibilities of the Plaintiffs under any of the written agreements between L.S. Unico, Inc. and the Defendant.

The Defendant benefitted economically from the rendered services and labor performed by the Plaintiffs on behalf of and at the request of the Defendant.

The Plaintiffs requested that the Defendant compensate them at the rate of \$150.00 per hour, such amount being reasonable and customary in the particular industry and business in which the Defendant was at the time and is currently engaged. The Defendant has refused the Plaintiffs' requests for compensation as set forth above, and as a result has been unjustly enriched.

WHEREFORE, the Plaintiffs request that the Defendant be cited to appear and answer, and that on final trial, the Plaintiffs have the following relief:

- 1. A judgment on behalf of the Plaintiffs and against the Defendant for the amount found to be due from the Defendant for back wages, reasonable compensation, engineering time and expertise, plus interest at the legal rate from the dates of accrual, in an amount within the jurisdictional limits of this Court, such amount being the amount in which the Defendant was unjustly enriched as the result of the aforementioned expenditure of time and expertise by the Plaintiffs;
 - 2. Interest on the judgment at the legal rate from the date of entry until paid;
 - Reasonable and necessary attorney's fees;
 - 4. Costs of suit; and
 - 5. Such other and further relief to which the Plaintiffs may be justly entitled.

VIII. BREACH OF CONTRACT

8.01 As of the date of the filing of this suit, the Defendant has refused to pay any of

the amounts due or believed to be due as set forth herein. More than thirty (30) days have passed since the date of the Plaintiffs' demand as set forth above to the Defendant.

Based on information and belief certain royalty amounts due from the Defendant have accrued, the exact amount of which appeal by account a decided and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount of which appeal by account and the exact amount and th